
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 11.2.2009

Wall Street Journal: "Goldman Looks to Buy Fannie Tax Credits ... Goldman Sachs Group Inc. is in talks to buy millions of dollars of tax credits from government-controlled mortgage giant Fannie Mae, but the potential deal is running into opposition from the U.S. Treasury, which could block the deal."

Wall Street Journal: "U.S. Turns Screws on Bailed-Out GMAC ... Thanks to a series of cheeky television ads that mocked its rivals -- and some of the highest interest rates on deposits in the nation -- Ally Bank was swimming in new money this spring."

Wall Street Journal: "CIT Files Its Bankruptcy Plan ... CIT Group Inc. filed for bankruptcy protection Sunday, in a final attempt to restructure and keep the doors open at the century-old commercial lender."

Wall Street Journal: "SEC Says Defendants Timed Their Trades ... When private-equity firm Friedman Fleischer & Lowe was considering taking a large position in a foam-mattress company in early 2008, employees were directed not to trade in the company's shares, according to a Securities and Exchange Commission complaint and interviews."

Wall Street Journal: "Fed's Path to Higher Interest Rates Begins to Take Shape ... An economic recovery seems to have begun, and Federal Reserve officials are thinking mostly these days about how to unwind the unprecedented stimulus they've pumped into the economy. Eventually that will mean raising interest rates."

Wall Street Journal: "Geithner: Economy Growing, Jobs Lag ... Treasury Secretary Timothy Geithner acknowledges the federal budget deficit is too high, but that the priorities now are economic growth and job creation."

Wall Street Journal: "Galleon and the Trouble With Insider Trading ... It happened almost every earnings season. My hedge fund would own a million shares in some company and two weeks before it was to report quarterly earnings, its stock would start dropping."

Washington Post: "Frank says overdraft protection should be 'opt-in' ... Bank overdraft fees as high as \$39 on debit card transactions aren't "favors" for consumers if they haven't asked for them, House Financial Services Committee Chairman Barney Frank said."

Washington Post: "New tack on fund to dissolve failed firms ... Rep. Barney Frank, chairman of the House Financial Services Committee, indicated Friday his willingness to change gears and support a provision that would require financial companies to pay ahead of time into a fund that the government could use to wind down large, troubled financial firms."

NY Times: "Another View: Please Listen to Sheila Bair ... Sheila C. Bair, the Federal Deposit Insurance Corporation's chairwoman, has had a tough time keeping her opinions to herself during this financial crisis, often in private and, not infrequently, in public."

NY Times: "Creditors Back CIT's Bankruptcy ... As the CIT Group sought desperately to avoid bankruptcy this summer, it argued that being forced into Chapter 11 protection would spell disaster for its customers: a wide swath of the nation's small and midsize businesses who rely on the 101-year-old company for financing."

NY Times: "Fiscal Blood on the Tracks ... LIKE a tsunami that follows an undersea earthquake, collateral damage from the collapse of credit markets is about to strike the millions of daily transit riders in America's biggest cities."

LA Times: "Home equity loan market remains very tight ... Traditional 30-year mortgages these days are unusually affordable by historical standards, but if you're looking for a home equity line of credit, don't expect any deals."

LA Times: "Home valuation code could soon undergo major revamp ... Could the controversial appraisal system imposed nationwide by mortgage giants Fannie Mae and Freddie Mac in May -- and now tied to lowball property valuations, busted home sale transactions and higher fees to consumers -- be on its way out?"

LA Times: "Banks, credit unions defend overdraft protection programs ... Banks and credit union officials described their controversial automatic overdraft protection programs -- with fees that average \$35 each time they are triggered -- as a courtesy so customers aren't embarrassed when a store cashier denies a purchase or, worse, when a mortgage check bounces."

USA Today: "CIT files for bankruptcy; taxpayers may lose \$2.3B stake ... Small- and midsize-business financier CIT Group's bankruptcy protection filing Sunday could put most of its clients back into the precarious position the federal government was trying to prevent with its \$2.3 billion cash infusion late last year."

USA Today: "Congress prepares to curb bank overdraft fees ... The movement to reform bank fees is accelerating as Congress takes aim at controversial industry policies that encourage consumers to fall into debt on their checking accounts."

USA Today: "Geithner: Recovery 'going to take awhile' ... Treasury Secretary Timothy Geithner acknowledges the federal budget deficit is too high, but that the priorities now are economic growth and job creation."

USA Today: "FDIC guides on commercial real estate loan modifications ... Banks must accurately identify their potential losses when modifying troubled commercial real estate loans under federal guidelines issued Friday."

Washington Times: "Bankrupt CIT unlikely to get 2nd bailout ... CIT Group Inc., the nation's largest lender to small businesses, filed for bankruptcy reorganization Sunday in the biggest financial failure this year and first major test of the administration's resolve not to bail out every struggling institution that asks for help."

Reuters: "CIT bankruptcy to leave small businesses concerned ... CIT Group Inc's (CIT.N) bankruptcy filing could push at least some small businesses it finances to look for a new lender, but finding new credit will be tough."

Reuters: "U.S. small business loans in default rise ... Defaults by small and medium-sized U.S. businesses on the loans, leases and lines of credit they use to finance capital equipment investment rose in September as lenders remained reluctant to extend fresh financing, PayNet Inc reported on Friday."

Forbes: "Ben Bernanke Is A Walking Economic Fallacy ... The great economist Henry Hazlitt once observed that "Economics is haunted by more fallacies than any other study known to man." Were Hazlitt alive today, he surely would have a field day addressing the numerous economic fallacies offered up by our very own Federal Reserve Chairman, Ben Bernanke."

The Hill: "House panel to revisit reach, powers of new federal insurance office ... House lawmakers this week will attempt to alter legislation creating a new federal insurance office after lobbying interests clashed over its proposed powers."

The Hill: "Geithner: GDP growth proves economy is recovering, but is 'just the beginning' ... Recent reports that peg GDP growth at 3.5 percent illustrate the economy is on the upswing, Treasury Secretary Tim Geithner said this morning."